

# MINUTES

of the

## COUNCIL OF THE COUNTY OF MAUI

June 5, 2015

THE REGULAR MEETING OF THE COUNCIL OF THE COUNTY OF MAUI, STATE OF HAWAII, WAS HELD IN THE COUNCIL CHAMBER, KALANA O MAUI BUILDING, WAILUKU, HAWAII, ON FRIDAY, JUNE 5, 2015, BEGINNING AT 9:04 A.M., WITH CHAIR MICHAEL B. WHITE PRESIDING.

CHAIR WHITE: This meeting of the County Council shall come to order.

Clerk, will you please call the roll.

### ROLL CALL

PRESENT: COUNCILMEMBERS GLADYS C. BAISA, ROBERT CARROLL, ELEANORA COCHRAN, DONALD G. COUCH JR., S. STACY CRIVELLO, G. RIKI HOKAMA, AND CHAIR MICHAEL B. WHITE.

EXCUSED: COUNCILMEMBER MICHAEL P. VICTORINO AND VICE-CHAIR DONALD S. GUZMAN.

DEPUTY COUNTY CLERK JOSIAH K. NISHITA: Mr. Chair, there are seven Members present, and two Members excused; a quorum is present to conduct the business of the Council.

CHAIR WHITE: Thank you, Mr. Clerk.

And our opening remarks this morning will be provided by Member Crivello.

### OPENING REMARKS

The opening remarks were offered by Councilmember Stacy Crivello.

CHAIR WHITE: Very nice; thank you.

Will all those present please rise and join me in the Pledge of Allegiance.

### PLEDGE OF ALLEGIANCE

The Members of the Council, and others in attendance, rose and recited the Pledge of Allegiance.

CHAIR WHITE: And before we begin, if I could just offer the reminder to everyone to please silence their cellphones or other noisemaking devices.

And, Mr. Clerk, can we proceed?

DEPUTY COUNTY CLERK: Mr. Chair, proceeding with the presentation of testimony on agenda items. We have established limited telephone interactive communication that enables individuals from Hana, Lanai, and Molokai to provide testimony from our District Offices.

Individuals who wish to offer testimony from Hana, Lanai, and Molokai, should now sign up with the District Office staff. Individuals who wish to offer testimony in the chamber, please sign up at the desk located in the eighth floor lobby just outside the chamber door. Testimony at all locations is limited to the items listed on today's agenda.

Pursuant to the Rules of the Council, each testifier may be allowed to testify for up to three minutes. When testifying, please state your name and the name of any organization you represent.

Hana Office, please identify yourself and introduce your first testifier.

MS. DAWN LONO: Aloha, good morning. This is Dawn Lono at the Hana Office and there is no one waiting to testify.

DEPUTY COUNTY CLERK: Thank you.

Lanai Office, please identify yourself and introduce your first testifier.

MS. DENISE FERNANDEZ: Good morning, Chair. This is Denise Fernandez on Lanai and there is no one waiting to testify.

DEPUTY COUNTY CLERK: Thank you.

Molokai Office, please identify yourself and introduce your first testifier.

COUNTY CLERK DENNIS A. MATEO: Good morning, Chair. This is Danny Mateo at the Molokai Office and there is no one waiting to testify.

DEPUTY COUNTY CLERK: Thank you.

Mr. Chair, we have four individuals who have signed up to testify in the Council chamber. The first person to testify in the chamber is Jim Smith testifying on Bills 28, 29, 30, 31, and 38 (2015), respectively. He will be followed by Clayton Ishikawa.

### PRESENTATION OF WRITTEN OR ORAL TESTIMONY

MR. JIM SMITH [testifying on Bill Nos. 28 (2015), 29 (2015), 30 (2015), 31 (2015), and 38 (2015)]:

Chairperson White, Members of the Maui County Council, aloha. You guys are the best, don't worry. No one has been through what you've been through. And I so appreciated your, your, your blessing at the, at the beginning.

I'd like to address some, some issues that I think are important. I'd like to start with Bill 29. Now, Bill 29 is the, the grant to Molokai for, for the sea transit, okay. And, I thought it was wonderful, the report, as it expressed your concerns and what happened at that meeting, and how you looked at the detail and the historical context.

And, normally, I don't think there should be economic grants from government to private enterprise. I think politically that crosses a line, distorts of economic forces, should just be avoided when possible unless there's a political or a public good that can be identified. And, in this particular instance, there is a public good that can be identified that exceeds profit. So, I think that makes it suitable.

The problem is that the bill contains the addition after three paragraphs that don't exist. So, you have a bill approved on first reading that has item 1, 2, 3, 4, and then item 5, this new provision. But, the Maui County Code does not have, at this time, item 1, 2, 3, 4.

So, I would ask you to delete or, out of that ordinance from one to four, okay, and just put one. And, I think that would remedy the defect which is obvious to me, which is causing me to think that this is a formality, that you approved it on first and final reading, and, and, and didn't exist, a Maui County Code provision. And, so, what is that? A formality. And, that's what the Mayor lives by, formality. And, that's a legality in my perception. And, I would ask you to do that; just remove paragraphs one through four, leave as one, the grant. I'd be so happy for that. Thank you. That's my testimony on Bill No. 29.

Bill No. 28 presents another problem, okay. You had no chance to delve into the factual background for each grant and you admit it. You admit that there's been a format problem here. But, then you went and you passed it out. So, you didn't give a factual background to justify the decision to expand Aumakua Holding, LL, huh, company to include whatever, soda machines, okay. What is that?

You, you're giving \$250,000. You give \$200,000 to a café, Uptown Service, this is coming from Economic Development; \$200,000 to them. How many cafés are there in Wailuku? How many employees will be lost to those cafés for this café because it's new? And, those employees, nobody sees, cause they make so little. So, you didn't do your studying of this.

So, I'd ask you to recommit this bill and require the Administration to bring you individual bills and look at the financial fiscal impact of these items. How did, how did you get four of six when everybody would like a handout to expand whatever they have.

Aumakua? That's religious. Is this is a religious company? No, it's not. It makes beer. You want to make soda, that makes it a good idea so let's give them \$250,000? I need a little more factual in your report. And, you accept the fact that you didn't do it. And, you say, oops, excuse me. I'm sorry, next time. Next time? Does legislation mean anything? Next time do it? And, it's been going on for years with this Administration and these people; meaning the people you don't see.

So, I'd ask you please recommit this bill, get the individual factual background to approve or not. Show me the public good created by that, that's not tainted by greed, and I'll support it. But, that doesn't show. The only thing that shows is the fact that you don't care whether or not you get a factual background when you're determined to give \$250,000 to a brewery. That to me, on its face, is ridiculous. They get it themselves from donations.

Okay, now, the next bill is regarding this, this is another issue that we need to consider. And, this has to do with Bills 30, okay, Bill 30 and 31. Okay, now this is creating a fund. We have 28 funds. We have general funds, we had revolving funds, and now you want to have a reserve fund. We have a sewer fund, we have, you have abilities to direct things, you have all these, but now you want to create a fund. For what? You can't get it to them some other way?

And, then, this is defective, this bill. If you look at Section 3.98.020.B., it says, any unappropriated, okay, surplus's, any. And, if you look at the Charter, it says, basically no amount transferred shall be deducted from an amount to be raised by taxes for ensuing years. Now, that puts a limit on the funding. That's not any, that's a limit on the funding in our Charter. Now, does that matter? We don't even need these funds to begin with. If we did, okay, they would come and ask you to make them.

So, this is really a change in a political structure in which this Council is becoming executive in its approach. And, we don't need an executive branch. We got too much of one. We need a Council of oversight. Someone who can get the facts and protect this idiot who comes and testifies, who thinks his vote gives him the ultimate right to do that to express his concerns, and doesn't. So, please, recommit these, this bill, this bill regarding the water, direct to funds; one is sewage and one is water, okay.

And, and the, and the committee report was 52. I believe it was 52. And, the first one was the establishment of the sewer replacement. And, then you include in this debt service. And, the Charter specifically says improvement. So, it can only fund for the improvement. Nothing about debt service. It's going to be a surplus anyhow, so it shouldn't have any money attached to it. Any bonds can be dealt with and debt service in a central location. This complexity creates havoc; not needed. It doesn't seem to be either of these funds. It's just a reaction to a political event. And, it doesn't have the substance it should have to justify. So, please recommit the sewage bill. That was the sewage testimony.

The Upcountry water capital improvements fund. We have a water restricted fund. We have a water unrestricted fund. We have a general fund. We have a Council who can put provisos on anything they do. So, what possible good can come from this complexity that in itself violates our Charter, and that it also says any fund. And there is in our Charter, a provision that restricts the fund it comes from, or the monies that are used.

So, it would seem to me that the best course would be to reevaluate whether or not we want to get immersed into this . . . government of our Mayors in which there's no accountability, in which the only guys that get hit are the low guys who come in and, and not the high guys like the Managing Director who ultimately is responsible for the lawfulness and execution of our budget. He doesn't even come here. He could be running for office for all I know. But, he should be here. And, he should be the guy with the heat, in place of the Mayor. The Mayor's very busy. So, that ends my testimony on the water bill. I appreciate that. I ask you to recommit both those bills because they are defective, from my perspective.

My final testimony, I appreciate your patience. And, let me just say that the Clerk's Office and the staff, Council staff services staff, they are so good. I was looking through the budget for something for them, I didn't see anything. But, gee, you could really help recognize the gratitude by including something. You might take the 250,000 that went to the visitor association and distribute it among those two. Four million dollars is a lot. Thank you. Now, no offense intended to the visitor bureau.

Now, this is Bill No. 38, which is this budget. And, we are reminded by the Mayor, on March 34 *[sic]*, that this is a historic third term budget. It may be our last budget, given the effects of this Mayor. But, it is, okay. And, without divine intervention, we really need you. We really need you to protect us from this stuff. We've got, as I said, 28 funds, the two funds you are considering makes 30.

We've got items in this you wouldn't believe; particularly concerning item number 442 which is a private preschool getting \$10,000. Of course, the history of this is Arakawa, when he was a Councilmember, put money into Emmanuel Lutheran Church kindergarten. It was ultimately not spent because of a lawsuit, okay. I filed a lawsuit, I know this, okay.

Now, we have one to a preschool Kansai *[sic]*. All right, fine. Maybe it's not a religious person, but certainly, it is an education institution and there was a constitutional amendment that went before the people concerning funding of preschools and it was defeated. And, here's the Mayor coming up with \$10,000 for preschools. So, what does that tell you?

This is what we know as a tweak. The Mayor is a tweaker. He is tweaking people, you in particular, certainly not me; too old to be tweaked. But, I would ask you to go over this and, and eliminate that name, at least. Make it a, a foundation or something. But, that should not be a Roman Catholic Church of Hawaii. Huh, that's tweaking. St. Theresa's, maybe. Hale Kau Kau, yes. Maui Charities, yes. Roman Catholic Church of Hawaii, just tweak me again.

Please take a stand for principle. I'm not talking money now. I'm talking what you're here for and I know you've got the strength. Stay real, continue. Keep Section 7 of the general provisions. Make it harder. Thank you very much.

CHAIR WHITE: Thank you very much, Mr. Smith.

Members, any need for clarification of his testimony on any of the items? Seeing none, thank you for being here this morning.

MR. SMITH: Aloha.

CHAIR WHITE: Mr. Clerk.

DEPUTY COUNTY CLERK: The next person to testify is Clayton Ishikawa testifying on Bill 38 (2015). He will be followed by Ed Tamura.

MR. CLAYTON ISHIKAWA [testifying on Bill No. 38 (2015)]:

Good morning, Council Chair, Councilmembers.

CHAIR WHITE: Good morning.

MR. ISHIKAWA: My name is Clayton Ishikawa. I'm here testifying on Bill 38 as an individual. Specifically, it's about proposed golf fees being raised. Personally, I think the raising of the golf fees at this time will be counterproductive, cause as it is the number of rounds annually has dropped dramatically. It's something like 25 percent it dropped.

So, I think what we need to do, instead of raising fees which was going to cause more rounds to be less, we need to look at maybe like little things how we can improve and how we can get more people to play rounds of golf. As I looked at the, the little things, and I believe little things will help in the long run; such as the golf course needs to get into the twenty-first century. They need to accept credit cards for payment. Right now, it's just cash basis. A lot of visitors come by. They're, they're expecting to pay with their credit card. I do that when I travel to play golf in the mainland because you want to save your cash for incidentals. So, maybe a little thing like that can help.

Also, advertising. Maybe perhaps create a webpage for the golf course. Everybody Google's now. Also, put it in the Yellow Pages. Right now, the golf course phone number is in the, under the County agencies. A lot of the visitors don't know what the

name of the golf course is. But, if we can have a webpage, they'll be more enlightened.

Also, a little thing such as put in a phone message. As the starters are busy checking in golfers, the phone is ringing, they don't, they don't answer it, so the poor caller is there just waiting. Now, he's wondering, the phone keeps ringing, am, did I have the right number or what. A little message on the phone stating, hey, you know, call at this time where starting times will be given. I think these little things will improve a lot of the rounds that we can gather from the visitors.

Also, every budget, this is my pet peeve that bugs me, is the Council, every time the golf fund runs short, Council comes up and throw their arms in the air and say why are they short? Well, golf is just one facet of recreation that I think, the, the golfer, golf funds we have, we have to pay for the wages and benefits of the golf course employees. We as taxpayers pay the employees' wages and tax. But, the golfers now are asked to pay again for the employees. So, it seems like it's, I'm being double taxed because I'm a golfer.

You know, maybe you should take those wages and benefit out, put it with the Parks Department and just handle with the maintenance fees, where the golf course fees will try and cover that. And, it could be a break even situation. I'm not sure. But, to be fair, all these other recreations such as swimming and tennis, and this, this budget was said nothing is free. But, if you look at it, tennis and swimming is free. Aquatics, 3.5 million budget. Do they have a user fee? No.

CHAIR WHITE: Mr. Ishikawa.

MR. ISHIKAWA: Tennis--

CHAIR WHITE: You've, you've expended your allotted time.

MR. ISHIKAWA: Oh, I'm sorry.

CHAIR WHITE: If you could provide just a, a closing comment, I would appreciate it.

MR. ISHIKAWA: Okay. Well, just my point that, you know, we are asked to pay user fees. And, and golfers don't have a, a problem with that. But, the problem is we are asked to pay for things that we as taxpayers also are paying already. So, it's like a double taxation on the golfers, only the golfers, you know. So, that's my point. And, you know, the golf course, the main problem is, is the condition right now.

DEPUTY COUNTY CLERK: Four minutes.



MR. ISHIKAWA: But, we have a, we have a new superintendent. So, I think we should give him a chance. And, you know, but raising the fees is not going to work. Thank you.

CHAIR WHITE: Actually, I, I'm sorry, I misspoke. I think you hit the three minutes, I thought you hit four minutes.

But, Mr. Clerk, has he expended his four minutes?

DEPUTY COUNTY CLERK: Yea, four minutes, eleven seconds.

CHAIR WHITE: Okay, great. Thank you very much--

MR. ISHIKAWA: Thank you.

CHAIR WHITE: --for your presence here this morning. Sorry, for my miscue.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next person to testify is Ed Tamura testifying on Bill 38 (2015). He will be followed by Kelly Pearson.

MR. ED TAMURA [testifying on Bill No. 38 (2015)]:

Good morning, Council Chair--

CHAIR WHITE: Good morning.

MR. TAMURA: --Councilmembers. I speak for myself and my club members. And, again, this has to do with the golf rates. And, we're kind of disappointed that the Council has taken this up again and is trying to raise the rates.

The reason for this is, if what like Mr. Ishikawa said about numbers that play the golf course, if you personally go and visit the golf course you will know that the numbers have greatly dropped. I mean, and, it's not a small drop, it's a big drop. And, normally, a golf course does not allow less than a threesome to go out and play. But you can go to Waiehu on any day and you can see there's single golfers playing two, twosomes. That's because there's nobody else there to play. And, that's the problem. If you're going to get less golfers and you're going to raise the rate, you're going to go the other way. You're going to go get less than what you were trying to accomplish, you know.

And, I have a lot of members who are in the, my class of, my classification of retarded or retired. And, we try to make the best of what we can of our life. And, that some of them do have a problem with making payments. I have, in fact, I have one member now who quit the club because he, he can't afford to pay just a simple fee that we, we have for the club and the five plus the \$10 for the cart; \$15 a month. He can't afford that so he told me that he's going to quit. And, it's sad.

So, all I'm asking is that you reconsider and keep the rates at the same. And, try to do other things to try to improve the numbers that play at the course. And, Mr. Ishikawa had some good suggestions. And, I think if you following up on that suggestion, being a, being more of a marketing person instead of just an accounting person, I think you can accomplish a lot more. Simple accounting, sometimes, actually kills, kills programs instead of being more of a marketing, and getting out there and letting people know that we have a nice municipal golf course available and we'd like to have.

And, another thing is, I'd like to see the golf course during the daylight savings time, move the start time from seven in the morning to six o'clock. And that way we can get more golfers in. The reason for that is the older golfers will play that early start time, which is great. And, then you have the young kids that'll be off of school, and then they can play in those times that, like they wake up about eight, nine o'clock in the morning, and the golf course is, they can, and the tourists and everybody. So, if they can change the time, that's all. Thank you very much.

CHAIR WHITE: Thank you very much. Members, any need for clarification of the testimony? Seeing none, appreciate you coming this morning. Thank you.

Mr. Clerk.

DEPUTY COUNTY CLERK: The next person to testify is Kelly Pearson testifying on Bill 38 (2015). She'll be followed by Rosemary Robbins.

MS. KELLY PEARSON, BOYS & GIRLS CLUBS OF MAUI [testifying on Bill No. 38 (2015)]:

Good morning. Happy Friday. Kelly Pearson, CEO for Boys & Girls Clubs. The only reason I'm here actually is just to say thank you. Just wanted to say thank you for all your support and we are looking forward to a great Fiscal Year 2016.

But, since I'm up here, I'm just going to take one more minute. So, just wanted to update you folks. Everybody knows that Sedona, our Youth of the Year, is attending

the regional Youth of the Year in July. Well, couple weeks ago, we just got notified that Boys and Girls Clubs of America was putting on an advanced leadership institute and all fifty youth of the year, so all fifty States, their Youth of the Year are attending this, this leadership institute. It'll be held in Atlanta, Georgia. It's in a couple weeks in June and they'll be staying on the campus at Emory University. So, we're sending Sedona and one of our staff to chaperone her. And, the staff will, up there will be getting some leadership development as well. And, great news is 100 percent paid by Boys & Girls Clubs of America. So, that's a great thing. And, then she'll go to the regional.

We're also sending two youth, with a staff person, to what's called Camp Hercules. And, that's going to be held in July in Connecticut. And, this is related to a, a grant that we're getting. It's a Federal grant from, that it's for Sea Immersion. It's a Sea Immersion grant and it has to do with STEM programming. And, two of these kids have been the most, I think, they participate the most, they've gone through the whole curriculum. So, their reward is a trip to Connecticut.

*(Councilmember Baisa was excused from the meeting at 9:35 a.m.)*

MS. PEARSON: That's a, that's just a few examples of what the opportunities we're providing for our kids. We're going to continue to do so. And, officially, summer started yesterday, so all of our clubs are open 8 a.m. to 6 p.m., and they're full of kids. So, again, thanks to you. If it wasn't for you guys, we, the kids, hundreds of kids wouldn't have a safe place to go. So, mahalo.

CHAIR WHITE: You're welcome. Members, any clarification required? Seeing none, thank you for being here this morning, Ms. Pearson.

Mr. Clerk.

DEPUTY COUNTY CLERK: Next person to testify is Rosemary Robbins testifying on Bills 30, 33, and 35 (2015), respectively. Ms. Robbins is the last individual who has signed up to testify in the Council chamber.

MS. ROSEMARY ROBBINS [testifying on Bill Nos. 30 (2015), 33 (2015), and 35 (2015)]:

Good morning, everybody. We've heard reference this morning. All three of those items are water related. I'm one of the people who worked on the Upcountry Federal oversight of, from the EPA on contaminated water back in the early 2000's. It was a different Water Director then, same, actually same Mayor as from now. So, some of the folks are pretty clued on this and some of them perhaps not.

But, I'd like to start out, relative to all three of these. You may have one of these around in pink. It's a copy of the County Charter. And, it says that, as of '88, and that's 28 years ago since anything has been done on adjusting the Charter, and take a look at the population increase that we've had in the last 28 years gap; not good.

Okay, also, I'm talking about page 30, 31 of our County Charter. Also, nothing done since '88 that shows up in here. The water supply shall implement the County's general plan and community plans in the administration of its affairs. The Department of Water Supply shall prepare and annually update a long-term capital improvement plan and an updated water use and development plan, which shall be subject to approval by the Council. Again, we're talking about 28 years ago, change not having happened in view of that that we have on record.

It also talks about the personnel who were involved, the Director and the Deputy Director of the Water Supply. And, it's written in here that one of them has to be an engineer. And, there was testimony given here within the last couple of months about an aeronautical engineer is not going to do a whole lot for the water situations that we're facing. So, again, we've had a lot of time to do that.

And, I'd like to take a quick minute to remind us that the EPA had clean air and clean water legislation that went through 44 years ago. And, we are way in debt.

Item, Bill No. 35, today, a bill for an ordinance authorizing the issuance of, check this, \$24,782,372 in terms of what we need to get money in order to get out of debt. The, the bills that are coming before you today talk about a debt service for the water fund in the number of \$5,761,368 for laws that we knew needed to be followed. And, there has been testimony given here about the fact that the Federal court has been after Maui for, in continued unpermitted discharge, and, they're coming after us for big money. And, the first judge, Federal, that's dealing with this, now I'm reading from here and it's been happening before this . . . before, the County is in the situation it is because it has violated the Clean Water Act. We asked for it. The law was there, we didn't move to comply with it.

And, and the debt service business just continues to rise. And, we have been hiring additional lawyers to protect us from the consequences of the behaviors of omission, and in some cases of commission, about water. But, that is going to be money, and it says right in the bills that about hiring them that we need to, will not accrue debts over; will not, will not, will not. That went from an appropriation from a quarter of a million to, last I checked, it was just a quarter less than two million. Doesn't do anything for the water improvement. It's talking about how do we crawl out from the

debt. We got a bad reputation going and it's on record. So, we need to be able to admit that we need to do better.

The water operations program in the water fund, page 16 of all these bills that you're going to be working with today, says that the water operations water fund is going to cost us \$31,859,591; huge, huge monies. We're hearing people say they can't afford to play golf. That's a tough thing for seniors. I don't play golf but it's a tough thing for seniors who are on limited incomes to do something that's appropriate for their abilities to do at the stages that they're at.

*(Councilmember Baisa returned to the meeting at 9:42 a.m.)*

MS. ROBBINS: These monies are going to be coming from revolving funds. The Federal revolving fund monies come from Federal taxpayers in all fifty States. Those get dealt out to States that request them. The Upcountry Oversight Water Committee requested that way back when; didn't go through. It had to have a specific date for a specific action to be taken with benchmarks in there.

DEPUTY COUNTY CLERK: Four minutes.

MS. ROBBINS: No follow through. So, we've just got to do better. And, and so when you're going over these, please don't just think that because you passed something on first presentation a while back that the job got done; not happening. We're changing zoning codes, we're changing people's input from their neighborhood associations in order to be able to continue to grow and we can't afford it, so please.

Bad joke that came to my hearing was that it won't cost us a fraction so much to--

CHAIR WHITE: Thank you.

MS. ROBBINS: --put up the buildings if we just don't put plumbing in them.

CHAIR WHITE: Ms. Robbins, if you could, your time is up. Thank you very much.

MS. ROBBINS: You're welcome.

CHAIR WHITE: Members, any need for clarification? Seeing none, thank you for being here this morning.

MS. ROBBINS: You're welcome.

CHAIR WHITE: Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, there are no further individuals signed up to testify in the Council chamber. If there are any additional individuals in the Council chamber or at the District Offices who would like to offer testimony, please identify yourself to the appropriate staff and proceed to the testimony lectern or District Office phone at this time.

Hana Office, are there any additional testifiers?

MS. LONO: There's no one waiting to testify in Hana.

DEPUTY COUNTY CLERK: Thank you.

Lanai Office, are there any additional testifiers?

MS. FERNANDEZ: There is no one waiting to testify on Lanai.

DEPUTY COUNTY CLERK: Thank you.

Molokai Office, are there any additional testifiers?

COUNTY CLERK: There is no one waiting to testify on Molokai.

DEPUTY COUNTY CLERK: Thank you.

Mr. Chair, there are no other individuals in the District Offices nor the chamber who wish to offer testimony.

CHAIR WHITE: Thank you, Mr. Clerk.

I note that we have received testimony. Members, without any objection, we'll enter that into the record.

MEMBERS VOICED NO OBJECTION.

THERE BEING NO OBJECTION, WRITTEN TESTIMONY  
RECEIVED FROM THE FOLLOWING WERE MADE A PART  
OF THE RECORD OF THIS MEETING:

1. Jim Smith; and
2. Cathy Knowlton.

CHAIR WHITE: Thank you. And, with that, Members, we will close public testimony.

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Thank you. Public testimony is closed.

Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, proceeding with county communications.

### COUNTY COMMUNICATIONS

NO. 15-161 - TIVOLI S. FAAUMU, CHIEF OF POLICE,  
(dated May 13, 2015)

In accordance with Resolution No. 90-82, informing of the receipt of a 2001 Honda Civic LX, a 2002 Lexus ES 300, an Apple Macbook computer, and an Apple iPad from the State Department of the Attorney General.

CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair.

I MOVE TO FILE COUNTY COMMUNICATION NO. 15-161.

COUNCILMEMBER CARROLL:

SECOND.

COUNCILMEMBER BAISA: Mr. Chair, go ahead.

CHAIR WHITE: Okay, there's a motion by Mr. Couch and a second by Mr. Carroll.

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. This is just a, a perfunctory report that we normally file. So, on behalf of the Chair of the Committee, I encourage everybody's support. Thank you.

CHAIR WHITE: Thank you.

Any other discussion, Members?

COUNCILMEMBER HOKAMA: Chairman.

CHAIR WHITE: Yes, Mr. Hokama.

COUNCILMEMBER HOKAMA: I am disappointed in the inconsistency of our referral system and how we post. You look at the communication, Chairman, this is about equipment, not funds. We'd be accepting equipment if you read, if anybody reads the communication completely. As well as, if staff is going to change the traditional process of how the Members understand referrals and designations--

COUNCILMEMBER BAISA: Yes.

COUNCILMEMBER HOKAMA: --I would say it needs to be informed to the Members, first. I don't appreciate at the Council level how the staff is operating. Thank you.

CHAIR WHITE: Thank you.

Members, other discussion? Any further discussion, Members? Seeing none, all those in favor of the filing of the communication, please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", and two "excused", zero "noes".

Mr. Clerk.



NO. 15-162 - MIKE WHITE, COUNCIL CHAIR,  
(dated May 29, 2015)

Relating to Councilmembers' report on the 2015 Western Interstate Regional Conference held in Kauai on May 20-22, 2015.

CHAIR WHITE: Ms. Crivello.

COUNCILMEMBER CRIVELLO:

I MOVE TO FILE COUNTY COMMUNICATION NO. 15-162.

COUNCILMEMBER COUCH:

SECOND.

CHAIR WHITE: Been moved by Ms. Crivello and seconded by Mr. Couch.

Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair. Council Chair Mike White and I attended an educational session at the 2015 WIR Conference titled "Medical and Recreational Marijuana Legalization Impact on Counties". I am making this report pursuant the State Sunshine Law, specifically Section 92-2.5(e) of the Hawaii Revised Statutes.

Attendees receive a presentation from representatives of the Washington State Association of Counties and Colorado Counties where in the Fall of 2012, voters passed ballot measures legalizing the use, possession, and cultivation of recreational marijuana.

We also heard from Mr. Keith Kamita, Chief Special Agent of the Hawaii Narcotics Enforcement Division on his thoughts about licensing, workplace policies, taxation, and financing, and other regulatory structures and challenges associated with the legalization of marijuana. As this is a contentious issue before the Hawaii State Legislature that will significantly affect County operations, the session provided a good insight as to how other Counties have dealt with the topic.

In addition, Council Vice-Chair Don Guzman, Presiding Officer Pro Temp Michael P. Victorino, and I attended a professional development session titled "Building Trust, Credibility, and Respect", during the same conference.

I am also making this report pursuant to the State Sunshine Law, specifically Section 92-2.5(e) of the Hawaii Revised Statutes. This interactive workshop presented situations on how local elected officials can communicate openly and effectively on opposing viewpoints, building credibility and respect.

Attendees from different Counties shared similar situations and solutions on how to restore and build trust, a trust driven work environment.

A quorum of the Council was not present at either presentation. The educational presentations were not specifically and exclusively organized for or directed toward Members of the Maui County Council. No commitment relating to a vote on any Council business was made or sought at the meeting.

Members, that concludes my report.

CHAIR WHITE: Thank you, Ms. Crivello.

Any further discussion, Members? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes. Seven "ayes", zero "noes", and two "excused";  
Mr. Victorino and Guzman.

Mr. Clerk.

NO. 15-163 - MIKE WHITE, COUNCIL CHAIR,  
(dated May 29, 2015)

Transmitting a proposed resolution entitled "APPROVING THE HAWAII STATE ASSOCIATION OF COUNTIES OFFICERS, NOMINEES TO THE NATIONAL ASSOCIATION OF COUNTIES BOARD OF DIRECTORS AND NOMINEES TO THE WESTERN INTERSTATE REGION BOARD OF DIRECTORS FOR FISCAL YEAR 2016".

CHAIR WHITE: Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair.

I MOVE TO WAIVE THE REQUIREMENT OF COMMITTEE REFERRAL AND REPORT FOR THE PROPOSED RESOLUTION ATTACHED TO THE COUNTY COMMUNICATION NO. 15-163, ENTITLED "APPROVING THE HAWAII STATE ASSOCIATION OF COUNTIES OFFICERS, NOMINEES TO THE NATIONAL ASSOCIATION OF COUNTIES BOARD OF DIRECTORS AND NOMINEES TO THE WESTERN INTERSTATE REGION BOARD OF DIRECTORS FOR FISCAL YEAR 2016", AS PROVIDED FOR IN RULE 7(E) OF THE RULES OF THE COUNCIL.

CHAIR WHITE: Do we have a second?

COUNCILMEMBER CARROLL

SECOND.

CHAIR WHITE: We have a motion from Mr. Couch and a second from Mr. Carroll.

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. The bylaws of the Hawaii State Association of Counties, or HSAC require each Council to approve the nominated slate of HSAC officers prior to the June HSAC annual meeting.

This year's HSAC annual meeting will be held on Wednesday, June 24, here on Maui. There is not sufficient time for the Policy and Intergovernmental Affairs

Committee to meet on this matter and report back to the Council prior to the June 24 deadline.

Approval of the motion to waive the requirement of the committee referral and report by two-thirds vote of the entire membership of the Council will enable the Council to consider the appointment today, prior to the deadline. Mr. Chair, I respectfully request passage of the motion to waive the committee report and referral.

CHAIR WHITE: Any discussion on the waiver, Members? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes. Seven "ayes", zero "noes", and two "excused".

Mr. Clerk. Oh no, I'm sorry, Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair.

I MOVE THAT THE PROPOSED RESOLUTION BE ADOPTED,  
AND COUNTY COMMUNICATION 15-163 BE FILED.

CHAIR WHITE: We have a second?

COUNCILMEMBER CARROLL:

SECOND.

CHAIR WHITE: We have a motion from Mr. Couch and a second from Mr. Carroll.

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. Please note that the staff has handed out a resolution signed and, as to form a legality. I think you got it.

CHAIR WHITE: Yes.

COUNCILMEMBER COUCH: The proposed resolution approves the nomination, nominated slate of HSAC officers; and directors for the Western Interstate Region, WIR; and the National Association of Counties, NACo; for Fiscal Year 2016.

Councilmembers from Council's in Hawaii are being nominated to HSAC, WIR, and NACo positions. From our Maui County Council, Presiding Officer Pro Tem Michael P. Victorino is nominated as the HSAC President, and Councilmember Gladys Baisa is nominated as the alternative. Council Chair Mike White is nominated to serve as the Director, as a Director for the Western Interstate Region.

The resolution approves the nominations of Councilmembers to the office or positions for these important organizations. Mr. Chair, I respectfully request support for the motion.

CHAIR WHITE: Thank you, Mr. Couch.

Members, any discussion? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes. Seven "ayes", zero "noes", and two "excused".

Mr. Clerk.

DEPUTY COUNTY CLERK: For the record, RESOLUTION 15-59.

Mr. Chair, proceeding with county communications for referral. The following county communications are recommended for referral to the following Committees as noted:

NO. 15-164 - RIKI HOKAMA, COUNCILMEMBER,  
(dated May 28, 2015)

Relating to amendments to the Fiscal Year 2016 Budget.

The recommended action is that County Communication No. 15-164 be referred to the Budget and Finance Committee.

NO. 15-165 - MIKE WHITE, COUNCIL CHAIR,  
(dated May 26, 2015)

Transmitting a proposed bill entitled "A BILL FOR AN ORDINANCE AMENDING TITLE 3, MAUI COUNTY CODE, RELATING TO SPECIAL IMPROVEMENT DISTRICTS".

The recommended action is that County Communication No. 15-165 be referred to the Economic Development, Energy, Agriculture, and Recreation Committee.

NO. 15-166 - DAVID C. GOODE, DIRECTOR OF PUBLIC WORKS,  
(dated May 20, 2015)

Transmitting a proposed resolution entitled "AUTHORIZING THE ACCEPTANCE OF REMNANT LOTS AT PUUKOLII ROAD, HANAKA OO, KAA NAPALI, LAHAINA, ISLAND AND COUNTY OF MAUI, STATE OF HAWAII", and related documents.

The recommended action is that County Communication No. 15-166 be referred to the Infrastructure and Environmental Management Committee.

NO. 15-167 - DAVID C. GOODE, DIRECTOR OF PUBLIC WORKS,  
(dated May 21, 2015)

Transmitting a draft bill entitled "A BILL FOR AN ORDINANCE AMENDING SECTION 10.32.050, MAUI COUNTY CODE, RELATING TO ONE-WAY STREETS".

The recommended action is that County Communication No. 15-167 be referred to the Infrastructure and Environmental Management Committee.

NO. 15-168 - IVAN LAY, CHAIR, MAUI PLANNING COMMISSION,  
(dated March 31, 2015)

Requesting consideration of repealing Chapter 19.65, Maui County Code, relating to Short Term Rental Homes, or establishing a moratorium on the issuance of new Short Term Rental Home permits.

The recommended action is that County Communication No. 15-168 be referred to the Planning Committee.

NO. 15-169 - TIVOLI S. FAAUMU, CHIEF OF POLICE,  
(dated May 13, 2015)

Transmitting a proposed resolution entitled "AUTHORIZING ACCEPTANCE OF A DONATION OF A MORPHOTRAK LIVESCAN MACHINE REPLACEMENT FOR THE KIHAI POLICE STATION FROM THE HAWAII CRIMINAL JUSTICE DATA CENTER TO THE COUNTY OF MAUI, DEPARTMENT OF POLICE, PURSUANT TO CHAPTER 3.56, MAUI COUNTY CODE".

The recommended action is that County Communication No. 15-169 be referred to the Policy and Intergovernmental Affairs Committee.

NO. 15-170 - TIVOLI S. FAAUMU, CHIEF OF POLICE,  
(dated May 13, 2015)

Transmitting a proposed resolution entitled "AUTHORIZING ACCEPTANCE OF A DONATION OF SIX APPLE IPAD AIR 16 GB TABLETS, INCLUDING CHARGERS AND COVERS, TO THE DEPARTMENT OF POLICE, COUNTY OF MAUI, FOR USE BY ITS CRISIS INTERVENTION TEAM, PURSUANT TO CHAPTER 3.56, MAUI COUNTY CODE".

The recommended action is that County Communication No. 15-170 be referred to the Policy and Intergovernmental Affairs Committee.

NO. 15-171 - DON S. GUZMAN, COUNCIL VICE-CHAIR,  
(dated May 26, 2015)

Relating to the matter of County policies relating to electric vehicles.

The recommended action is that County Communication No. 15-171 be referred to the Policy and Intergovernmental Affairs Committee.

NO. 15-172 - DANILO F. AGSALOG, DIRECTOR OF FINANCE,  
(dated May 26, 2015)

Transmitting a proposed resolution entitled "AUTHORIZING THE GRANT OF REAL PROPERTY TO MAUI MEMORIAL MEDICAL CENTER".

The recommended action is that County Communication No. 15-172 be referred to the Policy and Intergovernmental Affairs Committee.

NO. 15-173 - MICHAEL P. VICTORINO, PRESIDING OFFICER PRO TEMPORE,  
(dated May 29, 2015)

Relating to the County's processing of purchase orders.

The recommended action is that County Communication No. 15-173 be referred to the Policy and Intergovernmental Affairs Committee.

NO. 15-174 - GLADYS C. BAISA, COUNCILMEMBER,  
(dated May 29, 2015)

Relating to amending Section 14.13.060, Maui County Code, dealing with the Upcountry water meter installation.

The recommended action is that County Communication No. 15-174 be referred to the Water Resources Committee.

CHAIR WHITE: Members, are there any, any need for, or any objections to the referrals as read?



COUNCILMEMBER COUCH: Short recess, Mr. . . .

CHAIR WHITE: Okay, recess, at the call of the Chair.

(THE MEETING WAS RECESSED BY THE CHAIR AT 9:57 A.M., AND WAS RECONVENED AT 9:59 A.M., WITH ALL MEMBERS PRESENT, EXCEPT MEMBER VICTORINO AND VICE-CHAIR GUZMAN, EXCUSED.)

CHAIR WHITE: This meeting will come back to order.

Members, are there any concerns about the referrals as read by the Clerk?

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: No objections. Okay, thank you very much.

Members, we're going to take our morning recess because I think we're probably about the halfway mark. So, we'll take a recess until 10:10.

(THE MEETING WAS RECESSED BY THE CHAIR AT 9:59 A.M., AND WAS RECONVENED AT 10:24 A.M., WITH ALL MEMBERS PRESENT, EXCEPT MEMBER VICTORINO AND VICE-CHAIR GUZMAN, EXCUSED.)

CHAIR WHITE: This County Council meeting will please come back to order.

And, Mr. Clerk, can we proceed with the general communications please?

DEPUTY COUNTY CLERK: Mr. Chair, proceeding with general communications for referral.

### GENERAL COMMUNICATIONS

NO. 15-4 - GRANT CHUN, VICE PRESIDENT, MAUI, A&B PROPERTIES, INC.,  
(dated May 20, 2015)

Submitting the 2015 Annual Compliance Report in accordance with Condition 19 of Ordinance No. 3559, change in zoning for the Maui Business Park Phase II.

The recommended action is that General Communication No. 15-4 be referred to the Planning Committee.

NO. 15-5 - DAVID DANTES, M.D.,  
(dated May 26, 2015)

Relating to proposed amendments to Sections 19.64 and 19.65 of the Maui County Code, and related documents.

The recommended action is that General Communication No. 15-5 be referred to the Planning Committee.

CHAIR WHITE: Thank you, Mr. Clerk.

Any objections to the referrals as read by the Clerk?

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Okay, thank you.

Mr. Clerk, may we proceed?

COUNTY CLERK: Mr. Chair, proceeding with ordinances second and final reading.

### ORDINANCES

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 28 (2015)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES –  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2015,  
ECONOMIC DEVELOPMENT REVOLVING FUND

CHAIR WHITE: Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, with no objections from you or the Members, I would also ask the Clerk to bring up Bill No. 29.

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Okay, so ordered.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 29 (2015)

A BILL FOR AN ORDINANCE AMENDING APPENDIX A  
OF THE FISCAL YEAR 2015 BUDGET FOR THE COUNTY OF MAUI  
AS IT PERTAINS TO PART II, SPECIAL PURPOSE REVENUES –  
SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2015,  
ECONOMIC DEVELOPMENT REVOLVING FUND

CHAIR WHITE: Mr. Hokama.

COUNCILMEMBER HOKAMA:

CHAIRMAN, I MOVE THAT BILL 28 AND 29 PASS SECOND  
AND FINAL READING.

COUNCILMEMBER CRIVELLO:

I SECOND.

COUNCILMEMBER COUCH: Second.

COUNCILMEMBER CRIVELLO:

I SECOND, THE MOTION.

CHAIR WHITE: It's been moved by Mr. Hokama and seconded by Ms. Crivello.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, this two bills up for final reading this morning deals with the Economic Development Revolving Fund. We are making appropriations to Maui Brewing Company, Uptown Service, HNu Photonics, Maui Innovation Group, on Bill 28.

And, on Bill 29, we are recommending consideration of a grant to, regarding the Molokai Ferry and its impact to our Molokai Community.

Your, your Committee went through a process. I appreciate the testimony given this morning of some of the concerns the individual had with the proposals before us at this time, Chairman. But, I am willing to ask the Members to support your Committee's recommendations and move this forward.

And, as well as to all of the funds as part of a future consideration on today's agenda, the Council will make determinations regarding the review of those special revolving funds from your Budget and Finance Committee recommendations. Thank you.

CHAIR WHITE: Members, other discussion?

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. I too thank Mr. Hokama and the Committee for bringing this up. And, I think it's a, it, the first four were well vetted and we had long discussions on that. I do have a little bit of concern on the, the Molokai Ferry. I think I will support that.

But, I just want to make sure that we are, we encourage the Administration to be very careful as to measures and, performance measures on that just because we haven't had a chance to vet it out. It's kind of an emergency thing and I, and I truly support, you know, getting them taken care of in this emergency situation. So, but I would just encourage the Administration to keep an eye on, on performance measures on that one. Thank you.

CHAIR WHITE: Thank you.

Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair. Thank you, Mr. Couch. I will agree with Mr. Couch that the Administration do have some strong oversight on the draw downs of the funding as, and coming back with measurements from the Sea Links or, or, or Mr. Jung cause, and, I will be following with some different recommendations with the Administration too.

So, I agree. I think we did a lot of vetting as, as far as recognizing the need for us. And, I appreciate the Administration's support for this. And, I'm sure we will all work together to make sure it's being handled accordingly. Thank you.

CHAIR WHITE: Thank you. Members, other discussion on these two items?

The Chair will just add that I'm really appreciate the testimony that was provided this morning, and the concerns about grants to private companies. But I'm comfortable with us moving forward with this on the basis that this is the first time we have done this. It's been done in many other places in the country with good results and I think it's appropriate for us to see how it goes.

I think we have made it clear as a body to the Administration that for us to be comfortable putting more monies into such a fund, we will need to see what happens with these. And, are the jobs created, that have been stated, are we going to see any of this money coming back into the fund if they do much, do very well or better than expected? Are they going to be willing to, to put some of the money back in the funds so that others may have the same opportunity that has been given to them. So, it's with that perspective that I'm, I'm comfortable moving forward.

And, I, any other questions or comments, Members? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes. Seven "ayes", zero "noes", and two "excused";  
Mr.'s Victorino and Guzman.

Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 30 (2015)

A BILL FOR AN ORDINANCE TO ESTABLISH AN UPCOUNTRY WATER  
SYSTEM EXPANSION CAPITAL IMPROVEMENT RESERVE FUND

CHAIR WHITE: Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, with no objections from you and the Members, I would ask the Clerk to bring up Bills 30 to 38, inclusive, for consideration by the Council.

CHAIR WHITE: Any objections, Members?

COUNCILMEMBER COUCH: Yes, Mr. Chair. I would like to keep 38 out, if at all possible.

CHAIR WHITE: If your concern is being able to amend it, you can make amendments in any way similar to what, I know Mr. Hokama has on his agenda.

COUNCILMEMBER COUCH: That's one of them, but if, if it's the will of the body, then we'll just do them all.

CHAIR WHITE: Any other objections, Members?

Seeing none, we'll, Mr. Clerk, please proceed.

DEPUTY COUNTY CLERK: Mr. Chair, short recess please.

CHAIR WHITE: Okay, thank you. Recess.

(THE MEETING WAS RECESSED BY THE CHAIR AT 10:31 A.M., AND WAS RECONVENED AT 10:32 A.M., WITH ALL MEMBERS PRESENT, EXCEPT MEMBER VICTORINO AND VICE-CHAIR GUZMAN, EXCUSED.)

CHAIR WHITE: This meeting will come back to order.

Chair stands corrected. If there are objections, we, we are required to remove the, the item.

So, Mr. Clerk, would you please call up the bills up through 37?

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 31 (2015)

A BILL FOR AN ORDINANCE TO ESTABLISH A COUNTYWIDE SEWER  
CAPITAL IMPROVEMENT RESERVE FUND

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 32 (2015)

A BILL FOR AN ORDINANCE AMENDING SECTION 3.24.030,  
MAUI COUNTY CODE, RELATING TO MOTOR VEHICLE WEIGHT TAX

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 33 (2015)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE  
COUNTY OF MAUI TO ENTER INTO INTERGOVERNMENTAL AGREEMENTS  
FOR LOANS FROM THE STATE OF HAWAII'S WATER POLLUTION  
CONTROL REVOLVING FUND FOR VARIOUS WASTEWATER PROJECTS,  
FISCAL YEAR 2016 BUDGET ORDINANCE

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 34 (2015)

A BILL FOR AN ORDINANCE AUTHORIZING THE MAYOR OF THE  
COUNTY OF MAUI TO ENTER INTO AN INTERGOVERNMENTAL AGREEMENT  
FOR A LOAN FROM THE STATE OF HAWAII'S DRINKING WATER TREATMENT  
REVOLVING LOAN FUND FOR THE IAO WATER TREATMENT FACILITY  
REPLACEMENT, WAILUKU-KAHULUI COMMUNITY PLAN AREA,  
FISCAL YEAR 2016 BUDGET ORDINANCE

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 35 (2015)

A BILL FOR AN ORDINANCE AUTHORIZING THE ISSUANCE OF  
TWENTY-FOUR MILLION SEVEN HUNDRED EIGHTY-TWO THOUSAND  
THREE HUNDRED SEVENTY-TWO DOLLARS (\$24,782,372) AGGREGATE  
PRINCIPAL AMOUNT OF GENERAL OBLIGATION BONDS  
OF THE COUNTY OF MAUI FOR THE PURPOSE OF PROVIDING  
FUNDS TO PAY ALL OR A PART OF THE COST OF  
APPROPRIATIONS FOR PUBLIC IMPROVEMENTS OF AND FOR THE  
COUNTY OF MAUI; FIXING THE FORM, DENOMINATIONS AND CERTAIN  
OTHER FEATURES OF SUCH BONDS AND PROVIDING FOR THEIR SALE;  
AUTHORIZING THE DIRECTOR OF FINANCE TO DETERMINE CERTAIN  
DETAILS OF THE BONDS; AUTHORIZING THE ISSUANCE AND  
SALE OF A LIKE PRINCIPAL AMOUNT OF GENERAL OBLIGATION BOND  
ANTICIPATION NOTES IN ANTICIPATION OF THE ISSUANCE AND  
SALE OF SUCH BONDS; AND PROVIDING FOR OTHER ACTIONS RELATED  
TO THE ISSUANCE, SALE AND DELIVERY OF SAID BONDS

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 36 (2015)

A BILL FOR AN ORDINANCE DETERMINING THAT PART OF  
THE PROCEEDS OF GENERAL OBLIGATION BONDS OF THE  
COUNTY OF MAUI HERTOFORE ISSUED IS IN EXCESS  
OF THE AMOUNTS REQUIRED FOR THE PURPOSES FOR WHICH  
SUCH BONDS WERE INITIALLY ISSUED, OR MAY OR SHOULD  
NOT BE APPLIED TO THOSE PURPOSES, AND DIRECTING  
SUCH PROCEEDS TO OTHER PUBLIC IMPROVEMENTS  
OR AUTHORIZED PURPOSES OF THE COUNTY OF MAUI

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 37 (2015)

A BILL FOR AN ORDINANCE RELATING TO THE  
CAPITAL PROGRAM FOR THE FISCAL YEAR ENDING JUNE 30, 2016

CHAIR WHITE: Mr. Hokama.

COUNCILMEMBER HOKAMA:

I MOVE THAT THE BILLS READ BY THE CLERK PASS  
SECOND AND FINAL READING.

COUNCILMEMBER CRIVELLO:

I SECOND THE MOTION.

CHAIR WHITE: We have the motion from Mr. Hokama and a second from Ms. Crivello.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, your Committee, through the budget process, has a package of legislation that we are requesting the Council to review and approve this morning.

Within the motion, you will find the establishment of two reserve funds that the Charter allows the Council to set up for. And, for us, it's about planning, financial planning for the long-term and the ability to pay for improvements that we are well



aware of will be coming shortly. And, as we have seen in the last few weeks of Congress, we still have no indication on whether or not surface transportation will be reauthorized. They've punted for two months.

EPA has just put out a new revised bill regarding waters of the U.S. that still contain, contains confusing language on the impact on the counties and its ability to perform its projects regarding ditches and drains. And, I'll give you an example, Chairman. Ditches have been exempted, however, it is part of the definition of a tributary, and tributaries are not exempted from the new rule. So, it's kind of interesting to see how this will impact County projects in the future, particularly the absence of 80 percent Federal funding to help pay for this massive improvements in the near future. So, I think the Council is being wise in preparing for the long-term financial needs of our districts and the County overall.

We are also, through Bill 33, placing forth sufficient monies to have Kihei Station Pump Station No. 16 with its Rehab and Force Main Replacement to go forward. We've also supported the Force Main Replacement at Hawaiian Homes. We are moving forward the Lahaina Wastewater Stage 1A Modification Facility to move forward.

Bill 34, we definitely are putting sizeable amounts of monies for the Iao Water Treatment Facility Replacement Project. We reduced borrowing, Mr. Chairman, to show our, the tax base, the more true picture of the cost of their County government. And, we've made adjustments.

Bill 36, of course, places lapsed bond proceeds to a designated CIP, which we are doing a road improvement in the Upcountry District.

And, 37 is the balance of our Capital Improvement Program for this specific Fiscal Year of 2016, Chairman.

Thank you. I'm open to any questions from the Members if they have, Chairman. Other than that, I would ask them to support the package of legislation for the upcoming fiscal year. Thank you.

CHAIR WHITE: Thank you, Mr. Hokama. Members, further discussion on these Bills?

Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. And, I'd like to thank Mr. Hokama for, you know, sharing all the details of what we're approving.

But, I particularly want to speak in support of the Bill 30, which is establishing an Upcountry Water System Expansion Capital Improvement Reserve Fund. You know, the, this County has struggled for many, many, many years with how to deal with water improvements Upcountry.

And, as the, you know, new Water Chair, I'm, I'm getting there. It's, oh I can't believe it, it's almost six months. But, you know, it's been a learning experience for me to find out how difficult it is to move projects, to get project approved, to get money spent, and you know, the whole complication. And, the bottom line is always where do we get the money. Cause, as Mr. Taylor often says, if I had lots of money I could solve all the problems.

And, so, I am very excited. I think this is a very good step forward, to be very practical and very methodical about how we solve this problem long-term. So, I would like to thank the Budget Committee, I'd like to thank the Chair, and I'd like to thank my fellow Members. I think this is a move in the right direction. Thank you very much.

CHAIR WHITE: Thank you, Ms. Baisa.

Any further discussion on the Bills before us? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", zero "noes", and two "excused".

And, we're back to Mr. Hokama.

Oh, I'm sorry, we didn't read that Bill. Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 38 (2015)

A BILL FOR AN ORDINANCE RELATING TO THE  
OPERATING BUDGET FOR THE COUNTY OF MAUI  
FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016

CHAIR WHITE: Mr. Hokama.

COUNCILMEMBER HOKAMA:

CHAIRMAN, I MOVE THAT BILL 38 PASS SECOND AND  
FINAL READING.

COUNCILMEMBER CRIVELLO:

SECOND THE MOTION.

CHAIR WHITE: We have the motion from Mr. Hokama and a second from Ms. Crivello.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, I move to amend. Members, I have submitted for your review, two proposed amendments. I'm going to take up one. The first one is an amendment regarding the Wailuku Redevelopment Municipal Parking Lot Expansion.

ALSO, AT THIS TIME, MR. CHAIRMAN, I MOVE TO AMEND BILL 38, ENTITLED "BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016", BY AMENDING SECTION 4.A.4.A(1), FROM THE GENERAL FUND, WAILUKU-KAHULUI COMMUNITY PLAN AREA, GOVERNMENT FACILITIES, WAILUKU REDEVELOPMENT MUNICIPAL PARKING LOT EXPANSION, BY INSERTING A PROVISIO TO READ "PROVIDED, THAT THE MAUI REDEVELOPMENT AGENCY SHALL BE THE CONTRACTING AGENCY FOR THE PROJECT AND MAY RECEIVE ASSISTANCE FROM THE DEPARTMENT OF PLANNING OR OTHER COUNTY DEPARTMENTS, AS NEEDED.

CHAIR WHITE: We have a second?

COUNCILMEMBER COUCH:

SECOND.

CHAIR WHITE: Okay, we have a motion from Mr. Hokama and a second from Mr. Couch to amend Bill 38, as noted by Mr. Hokama.

Mr. Hokama, further discussion?

COUNCILMEMBER HOKAMA: Thank you. Few things this amendment will do, Mr. Chairman, one it'll bring clarity on how we expect this project to move forward. We are designated MRA, Maui Redevelopment Agency, as the lead agency. They have the ability to work with other administrative components to ensure that the project can go forward.

We made a concentrated effort regarding the revitalization of Wailuku as the civic center of this County. And, for us, this amendment would just afford the MRA authority to carry out the project as they have been given their powers through state statute and through the creation of their agency by resolution by the County Council. Thank you.

CHAIR WHITE: Thank you. Any further discussion on the amendment? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", zero "noes", and two "excused".

Mr. Hokama.

COUNCILMEMBER HOKAMA:

MR. CHAIRMAN, I MOVE TO AMEND, AGAIN, BILL 38; THIS IS REGARDING TO APPENDIX B, REVENUES – FEE, RATES, ASSESSMENT AND TAXES, CHARGES FOR CURRENT SERVICES, PLAYING FEES - GREEN FEES – GOLF. I, AT THIS TIME, MOVE TO AMEND BILL 38 OF (2015), ENTITLED "A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016", APPENDIX B, REVENUES – FEES, RATES, ASSESSMENTS AND TAXES, CHARGES FOR CURRENT SERVICES, PLAYING FEES – GREEN FEES – GOLF, BY STRIKING THE RATES SCHEDULED FOR RATES – WEEK, WEEKDAYS AND RATES – WEEKENDS AND HOLIDAYS, AS REFLECTED ON THE ATTACHED EXHIBIT "1", AND INSERTING A NEW RATE SCHEDULE IN ITS PLACE, AS REFLECTED ON THE ATTACHED EXHIBIT "2".

COUNCILMEMBER CRIVELLO:

I SECOND THE MOTION.

CHAIR WHITE: Okay, we have a motion from Mr. Hokama and a second from Ms. Crivello.

Mr. Hokama.

COUNCILMEMBER HOKAMA: Mr. Chairman, Members, interesting, after first reading we did receive comments from the golfing public about their feelings about adjustments to Green Fees. I can tell you, I thank the two gentlemen who came today. I mean, I can appreciate people who just grumble, but they came in with recommendations, Chairman, on areas that we should look at to see if we can make improvement. I really appreciate the effort of those two gentlemen bringing those constructive comments back to the Council for us to consider.

And that is why, this morning, I'm happy to propose this adjustment in the increases, still keeping the "Twilight" and "9-hole" components that I believe, and take into account some of those comments about, again, looking at how we do operations.

If you look at our sister counties, most public municipal courses run with about an average staff of 13. We run at 20 for Waiehu.

If you look at other things that were said earlier, even airlines now, nobody pays cash for things in-flight; everything is credit card. Take away the temptation for activity that you don't want. So, for me, it's something we should consider regarding our golf course operations. Why, with the amount of starters we have, which is four, and the amount of rounds we currently are having, when we were over the 100,000; we only had two starters, now we have four. And, we lost, as we heard today, 25 percent of the rounds. Something's wrong.

I would say, Chairman, that in the meantime, we'll make some small adjustments and use the balance before the next budget to look at the options, take those comments from the testimony. But, I would say as the Chair of your Committee, I would also be open to all other options, including disposition of the facility to a third-party.

But, I believe that this proposal at this time is fair. It's a slight increase. We have taken into account a student rates, it's to allow our young people the opportunity to learn and become a avid golfer.

I think the "Twilight" and "9-hole" rates will keep us competitive with our for-profit golf courses out there that are compete against Waiehu. And, I believe that for this coming fiscal year, Chairman, I would ask the Members to support the revision that we've proposed at this time. Thank you.

CHAIR WHITE: Thank you, Mr. Hokama.

Members, any further discussion?

Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Mr. Chair. And, I'm glad that I had the opportunity to see this all play out because my initial reaction when this amendment was handed out was to say no. You know, I've been on this Council now, this is my last term. And, this golf course issue comes up every year. And, every time there is a proposal to do something about the rates, you know, we go through the same thing. And, so my attitude was, here we go again, I don't think I want to support this.

But, I want to say, as Mr. Hokama mentioned, that it was very refreshing to listen to testifiers who came with a very appropriate list of things that could help remedy this, you know, over-expenditure at the golf course and us having to subsidize it. I mean, the things they said made perfect sense. And, number one, of course, was the credit card. I cannot imagine anybody trying to upgrade anything today without a credit card. I got off a plane couple nights ago, and if I wanted a soda, I had to have a

credit card. I mean, it's kind of nuts. But, you know, it's the way of the world. And, I think we need to catch up.

And, there's probably a big loss of revenue by not having the ability to use a credit card. People don't carry cash around anymore for many reasons. And, I think that that's, that's an, that's a no-brainer. And, you know, all of the other suggestions, to me, made perfect sense in operating a business.

And, so I think that I, I'm going to support the amendment. But, I do want to say that I want to see this matter taken to, as it's being promised, to the Committee, that your Committee to take a look at it to make sure that these recommendations are implemented. Otherwise, I'm willing to bet that I'll be sitting here next year, God willing, at the same time, making the same speech.

And, I think enough is enough. We need to get this golf course straightened out and not be, you know, are, we, we hear so much about the economy and the use of County money. I think we need to take every opportunity to try to make any enterprise work. And, that's not hard to do. It's about management.

So, I will be supporting the amendment and I want to thank the folks who came, for coming to enlighten us and show that, you know, they're really thinking about how to make it better. Thank you.

CHAIR WHITE: Thank you. Members, any, any further discussion on the amendment? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", zero "noes", and two "excused".

Any further, Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair.

I MOVE TO AMEND BILL 38 (2015), ENTITLED "A BILL FOR AN ORDINANCE RELATING TO THE OPERATING BUDGET FOR THE COUNTY OF MAUI FOR THE FISCAL YEAR JULY 1, 2015 TO JUNE 30, 2016", GENERAL BUDGET PROVISIONS, BY STRIKING SECTION 7, AS REFLECTED ON THE ATTACHED EXHIBIT "1", AND INSERTING A NEW SECTION 7 IN ITS PLACE, AS REFLECTED ON THE ATTACHED EXHIBIT "2";

AND, FURTHER, TO AMEND APPENDIX A, PART II, SPECIAL PURPOSE REVENUES – SCHEDULE OF REVOLVING/SPECIAL FUNDS FOR FISCAL YEAR 2016, BY STRIKING THE RESTRICTIONS ON DOLLAR AMOUNTS FOR SALARIES AND PREMIUM PAY, OPERATIONS OR SERVICES, AND EQUIPMENT, AS NOTED IN, ON ATTACHED EXHIBIT "3";

AND, FURTHER, TO STRIKE APPENDIX "C", IN ITS ENTIRETY, ATTACHED TO THE GENERAL BUDGET PROVISIONS".

COUNCILMEMBER CARROLL:

SECOND.

CHAIR WHITE: Okay, it's been moved by Mr. Couch, seconded by Mr. Carroll.

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And, you know, at the last meeting, I was kind of not really chastised by my colleagues, but it was mentioned that I didn't bring it up if I felt so strong about it so I'm bringing up this time.

Just wanted to reiterate Mr. Goode's testimony from last meeting, saying that if there's a situation that he may have to make a decision on whether or not to willfully violate the section because there's an emergency.

Yea, I know we would probably say okay, but another Council may not. So, until we get this fully vetted in Committee and, and worded properly, I, I think this is a very



important issue and it's enough for, you know, me not to vote on the whole budget in itself because of the situation that we have with the "A", "B", "C" accounts. So, I ask for support. Thank you.

CHAIR WHITE: Members, do you need any time to go through the revisions?

Okay, Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. I can count and I don't flog dead horses, however, what Mr. Couch has brought up and what we brought up before first reading is the concerns we have with such sweeping legislation. I spoke out about having it go to Committee, and I really think it should. And, many of the Members over here, including Mr. Hokama, have always been very supportive of having things go through Committee, especially when they have a great impact.

I would hope that at the end of the day, that the Budget Chair, would go over there and consider putting this into Committee even if it passes, and making sure that we are doing this the right way. I do have concerns, we don't have this opportunity. As everybody knows I've felt that Council meetings are not the place to try to discuss Committee work cause we just don't have the time, the resources, or the staff available to get into these discussions.

I am glad that Mr. Couch brought it up because I think we need to be all aware of the decisions we make and their impacts. Thank you, Chair.

CHAIR WHITE: Thank you, Mr. Carroll. I, I will point out though that this is second reading, the very thing that you generally don't agree with. And, the, the provisions in Section 7 were voted on and discussed in Committee.

So, further discussion, Members?

Ms. Baisa.

COUNCILMEMBER BAISA: Thank you very much, Chair. Unfortunately, I wasn't able to be here at the first reading. I've tried to make a, I made a very difficult decision and I was not here, however, I did have the opportunity to watch the entire meeting.

You know today, technology is wonderful; and I could have been sitting right here at my desk, I was sitting at a laptop in Mexico and it was perfect transmission. Akaku did a beautiful job and so I did, you know, I had the opportunity to hear; I couldn't respond.

So, I want to take this opportunity to say that I share Mr. Couch's concerns. I listened to the departments and I know that, you know, they're very concerned about how this is going to affect them. And, maybe, you know, it would have been better if we had discussed a issue as a, a policy issue as, big as this, in a separate meeting and in a separate venue.

I've listened to the reassurances by yourself and by Mr. Baz, and that we're going to work out a better system to deal with budget amendments. I really hope that works because, you know, we all know that budget amendments take time and sometimes time is of the essence. And, I did hear what Director's like Mr. Goode said, you know, we have a, things happen and we've got to respond. And, we don't have time to go through the paperwork and the routine and whatever. Like again, like, again, I say I'm sorry that, you know, we didn't have more time to talk about it. I understand the reason for it. And I understand that, you know, we're trying to get people to budget accurately and honestly, and you know, put down the right figures in the right place.

I don't know if, like, maybe if we had, you know, had the opportunity to have a budget meeting, I mean a Budget Committee meeting about the idea of doing, restricting the "A" and "B", "A","B", "C" accounts, and have people come and talk about it some more. But, you know, we are here at this point and we have to vote one way or another, so I will be supporting the whole budget, even though I have concerns about this. I can count, like Mr. Carroll, and I know that the majority will probably not support the amendment but that's, that's my concerns about it. Thank you.

CHAIR WHITE: Thank you. I, I think it's important to point out that, at least it's my understanding that if a budget amendment is currently required. If you move money from within one department from one program to another, you have to have a budget amendment now. That won't change, that will still require a budget amendment. And, what Section 7 does by limiting the transfer between "A","B", and "C" accounts without coming back to Council, will be dealt with by resolution. It does not need to have a budget amendment.

And, so, I think there are things outlined in the Charter that if it's a, if it's a true emergency Countywide, there are ways that we can deal with that eventuality in a very rapid fashion.

If it is a departmental emergency that doesn't rise to the same level, then all it would require is one Council meeting and the resolution would be heard and could be passed if the, if the Council agrees with the request from the department. As, Mr. Hokama outlined in our last meeting, he's worked out a system with Mr. Baz to make that very quick and, and, and easy.

I will commit that if there are significant concerns by any department that need to be addressed in a very, very short order, I'll commit to posting the item and posting for a special meeting, if it's, if it rises to that level. And, that can be done and turned around in, in a week. So, I don't, I just don't see any significant concerns with restricting the transfer of monies from one side to the other.

COUNCILMEMBER BAISA: Thank you very much. I think that's very important. None of us want to hang up operations.

CHAIR WHITE: Correct. But, we do want the, them to live within the budget they've presented, and so.

COUNCILMEMBER BAISA: Thank you.

CHAIR WHITE: Mhm. Other comments?

Ms. Crivello.

COUNCILMEMBER CRIVELLO: Thank you, Chair. I, I, I can appreciate Mr. Couch's concerns but we did go through all of this through Committee and there are some portions of it that I may not necessarily agree. But, I think it allows us to have more fiscal accountability and can be more supportive of what departments are requesting.

I have some concerns on some departments as far as how we've held the reigns when it comes to some of the collective bargaining that, issues that come up that we have no control over. But, with, with the commitment that you've just stated and as well as Budget Chair Hokama's commitment, I can, I can support the overall budget without this amendment. So, thank you.

CHAIR WHITE: Thank you. Any other comments, Members?

Mr. Hokama.

COUNCILMEMBER HOKAMA: Chairman, thank you. I thank Mr. Couch for making his proposal. I think discussion is healthy. I appreciate every Member's comment so far that was shared and I can appreciate some of the concerns.

Couple things, Members, already this morning, when we went through referral, you will look at County Communication 15-164 that we, that was just referred to Budget Committee. That is the umbrella item that will take care of the amendments that will

go directly to Committee instead of through the normal posting practice. So, that takes at least two weeks off the process.

You know, I've listened to Mr. Goode's comments and, you know, he had a very vital point to make regarding emergency situations. The Charter in Section 9-9 specifically addresses emergency situations and the powers of the Council, with the Mayor, working in concert, to make emergency appropriations; including if there's a absence of sufficient funding at that specific time, we can exceed up to one percent of the operating budget to take care of those emergency requirements.

So, I believe that the Charter has enough foresight to address the concerns that potentially may, may be before the County. But, I believe, as in the past, the County, the Council and the Administration has responded properly in the past, timely in the past. And, for me, Mr. Chairman, more specifically on the amendment, I believe the community is very concerned about transparency and accountability. I've used that words before the Members have heard it.

So, let me just say a couple things regarding this, this amendment. I wish we were at a time where I could support this proposal; we're not. As you see as part of one of the other referrals, we are concerned also about purchase orders. The previous agenda, we have an issue with p-cards and our departments' use. We know we have a financial processing issue in this County.

There's too many things happening, therefore, the Council and our ability to be, hold things accountable, drives me to, now more than ever, support the "A","B", "C" separation, Chairman. There's too many things happening operationally. I mean, it's not good for this Council to learn about a p-card issue through a TV news report, investigative reporter. I mean, we all know the issues. We've had structures built, CIP buildings without an appropriation from Council. How does that happen?

So, there's things that we need to hold departments accountable because that's a lot of public money that has been redirected and utilized by non-appropriated Council action. It's got to stop. And, I don't have a problem holding those employees' feet to the fire to the full face and the fact of law, cause it's got to end. We need to help the community have the trust back in what we do as a County government. And, I think the "A","B", "C" accounts is currently a necessary step to bring back the confidence that our people deserve in their officials, and in the government that should be representing their interest and not the County's own specific interest, Chairman. Thank you.

CHAIR WHITE: Any further discussion, Members?

Mr. Couch.

COUNCILMEMBER COUCH: No, Mr. Chair.

CHAIR WHITE: Oh, I thought you--

COUNCILMEMBER COUCH: I was scratching my--

CHAIR WHITE: Oh, sorry. You know, I'll just add my comments if there are no other comments. You know, as Mr. Hokama mentioned, accountability and transparency is very critical. And, for me, fiscal responsibility is our fundamental Council responsibility. And, so, as we review the budget and approve these amounts, we're doing so based on the recommendations of each of the department heads. And, of course, we make our adjustments, but for the most part we pretty much leave intact, the accounts where we're accounting for salaries and wages. And, we pretty much leave intact other parts of the budget.

So, and, when we look at things like the p-card issue, we look at the issues that we've delved into in Solid Waste this year where they have been unfortunately encumbering so much out of their "B" account that it resulted in the impact on their "A" account, their salaries and wages to the extent that they were going to have to lay people off.

Now, we don't have control over what they do in their departments once we approve the budget. But, this would simply have made it necessary for them to come back to us for approval to spend more money out of the "A" account instead of spending a whole lot of money in encumbering funds for future years. So, this is, this measure to require those three accounts to be seen as separate and apart from each other is one that is simply asking them to effectuate their budget within the constraints that they have placed on themselves and that we have adjusted in one way or another.

I don't believe there is a significant challenge to us addressing shortfalls if there are emergency situations that need to be addressed. Between what Mr. Hokama and Mr. Baz have worked out, and what we can do at the, at the Council level, I have no concerns that we can address on a timely fashion any, any shortfalls. So, I simply cannot support the, the amendment as offered, so.

Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. And, I find the discussion enlightening and it's really good that we're having this. I will still be voting no, while in support of the motion. More, to say that because I wish we had this discussion in Committee. I just feel that important things like this really should have more input from the people that are affected.

There's no danger of this passing today, calling a spade a spade. But, I will support the motion just to make it clear that, I think procedurally, we could have done better. Thank you, Chair.

CHAIR WHITE: Thank you, Mr. Carroll.

You know, again, a lot of the discussion was in Committee and this is an issue that has been discussed for many years, as far as I know. And, I'd also like to point out that we have had a number of opportunities for people to come in and provide testimony in, and share their concerns with us with respect to the "A", "B", and "C" accounts. And, I believe Mr. Goode is the only one, there may have been others earlier, but we've had no significant pushback from the Administration.

So, I, I see this as, as a measure, not the amendment, but that what we have placed in the budget as a measure that they see as responsible as well. They may be a little uncomfortable with it, but at the same time, it's our job to assist where assistance is necessary and to hold the line where holding the line is appropriate.

So, any further discussion, Members? Okay, seeing none, all, the vote is whether or not to amend the budget as outlined, removing Section 7. Or to, so a vote, a vote in favor eliminates Section 7. A vote against, defeats the amendment. All those--

COUNCILMEMBER COUCH: Mr. Chair.

CHAIR WHITE: I'm sorry.

COUNCILMEMBER COUCH: It's actually doesn't eliminate Section 7. It replaces it to what it was prior years. Thank you.

CHAIR WHITE: Okay, thank you for that clarification. All those in favor please signify by saying "aye".

COUNCILMEMBER COUCH: Aye.

COUNCILMEMBER CARROLL: Aye.

CHAIR WHITE: Those opposed say "no".

COUNCILMEMBER HOKAMA: No.

COUNCILMEMBER COCHRAN: No.

COUNCILMEMBER CRIVELLO: No.

COUNCILMEMBER COUCH: Roll call please.

CHAIR WHITE: Okay. Mr. Clerk, roll call.

DEPUTY COUNTY CLERK: Councilmember Robert Carroll.

COUNCILMEMBER CARROLL: AYE.

DEPUTY COUNTY CLERK: Councilmember Gladys Coelho Baisa.

COUNCILMEMBER BAISA: AYE.

DEPUTY COUNTY CLERK: Councilmember Elle Cochran.

COUNCILMEMBER COCHRAN: NO.

DEPUTY COUNTY CLERK: Councilmember Don Couch.

COUNCILMEMBER COUCH: AYE.

DEPUTY COUNTY CLERK: Councilmember Stacy Crivello.

COUNCILMEMBER CRIVELLO: NO.

DEPUTY COUNTY CLERK: Councilmember Riki Hokama.

COUNCILMEMBER HOKAMA: NO.

DEPUTY COUNTY CLERK: Presiding Officer Pro Tempore Michael P. Victorino.

CHAIR WHITE: EXCUSED.

DEPUTY COUNTY CLERK: Vice-Chair Don S. Guzman.

CHAIR WHITE: EXCUSED.

DEPUTY COUNTY CLERK: Chair Mike White.

CHAIR WHITE: NO.

AYES: COUNCILMEMBERS BAISA, CARROLL, AND  
COUCH.

NOES: COUNCILMEMBERS COCHRAN, CRIVELLO,  
HOKAMA, AND CHAIR WHITE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-  
CHAIR GUZMAN.

DEPUTY COUNTY CLERK: Mr. Chair, there are three "ayes" and four "noes". Motion fails.

CHAIR WHITE: Thank you.

Members, we are, are there any further amendments requested? Seeing none, we're back to the main motion to pass Bill 38, as amended. Any further discussion on the main motion?

Mr. Couch.

COUNCILMEMBER COUCH: Thank you. And, I do want to just say thank you for everybody for expressing their comments on the amendment. And, that the fact that the amendment failed, again is, I still think it's severe enough that I can't support the budget. Although, everything else in the budget is great and I think the Committee did a great job. I think this is enough, again, as a poison pill for me. So, thank you.

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: I'm just talking too much today. I'd like to say that I'm very, very proud of this Council, our Budget Chair, the Committee, and all of those, the staff and the support that we've had.

I'm really happy that this Committee does not agree on everything, and that's what makes us strong; because we don't agree on everything. If you want something done, you better have your act together and put it together or you're not going to get it done. And, that's what makes this Committee strong and that's how we can serve



our people. And, I am proud of it, and I think we should all be. And, I support the budget before us. Thank you.

CHAIR WHITE: Thank you, Mr. Carroll.

Further discussions on the measure before us? Seeing none, all those in favor of passing Bill 38, as amended, please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, CRIVELLO, HOKAMA, AND CHAIR  
WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: COUNCILMEMBER COUCH.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with six "ayes", one "no", and two "excused".

Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 39 (2015)

A BILL FOR AN ORDINANCE TO AMEND THE MOLOKAI  
COMMUNITY PLAN AND LAND USE MAP FROM AGRICULTURE  
TO PUBLIC/QUASI-PUBLIC FOR PROPERTY  
SITUATED AT HOOLEHUA, MOLOKAI, HAWAII,  
TAX MAP KEY NUMBER (2) 5-2-015:001 (POR.),  
FOR THE MOLOKAI HIGH SCHOOL

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. Since Bills 39, 40, and 41 (2015), all relate to the same matter, may I request that you ask the Clerk to call the next two bills at this time?

CHAIR WHITE: If there are no objections, we'll do so. Any objections, Members?

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Thank you. Mr. Clerk, call up--

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 40 (2015)

A BILL FOR AN ORDINANCE TO AMEND THE STATE LAND USE  
DISTRICT CLASSIFICATION FROM AGRICULTURAL TO URBAN  
(CONDITIONAL BOUNDARY AMENDMENT) FOR PROPERTY  
SITUATED AT HOOLEHUA, MOLOKAI, HAWAII,  
TAX MAP KEY NUMBER (2) 5-2-015:001 (POR.),  
FOR THE MOLOKAI HIGH SCHOOL

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 41 (2015)

A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM INTERIM DISTRICT  
TO P-1 PUBLIC/QUASI-PUBLIC DISTRICT FOR 16.654 ACRES AND FROM  
AGRICULTURAL DISTRICT TO P-1 PUBLIC/QUASI-PUBLIC DISTRICT FOR  
4.410 ACRES SITUATED AT HOOLEHUA, MOLOKAI, HAWAII,  
FOR THE MOLOKAI HIGH SCHOOL

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair.

I MOVE TO PASS BILLS 39, 40, AND 41 (2015) ON SECOND  
AND FINAL READING.

COUNCILMEMBER CRIVELLO:

I SECOND THE MOTION.

CHAIR WHITE: There's a motion from Mr. Carroll and a second from Ms. Crivello.

Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. These four bills relate to a request from the State Department of Education for land use entitlements needed to facilitate the development of upgrades to Molokai High School, including construction of science facilities on property located adjacent to Farrington Avenue, Hoolehua, Molokai, Hawaii.

The property is owned by the State of Hawaii. The DOE proposes to construct a 4,500-square-foot structure containing two science classrooms labs and space for storage and teacher preparation. The DOE also proposes incorporating a rainwater harvest tank and catchment basin, basin at the school. I ask for your support of these bills.

CHAIR WHITE: Thank you, Members. Is there further discussion on these measures? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", and zero "noes", two "excused".

Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 42 (2015)

A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM  
URBAN RESERVE DISTRICT TO B-CT COUNTRY TOWN BUSINESS  
DISTRICT (CONDITIONAL ZONING) FOR PROPERTY SITUATED AT  
LANAI CITY, LANAI, HAWAII, FOR THE PROPOSED  
OLD LANAI POLICE STATION/COURTHOUSE BUILDING

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair.

I MOVE TO PASS BILL 42 (2015) ON SECOND AND FINAL  
READING.

COUNCILMEMBER HOKAMA:

SECOND.

COUNCILMEMBER BAISA: Second.

CHAIR WHITE: It's a measure by, a measure; it's a motion by Mr. Carroll and a second by Mr. Hokama.

Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. This Bill would grant a request from Lanai Resorts, LLC, for a Change in Zoning from Urban Reserve District to B-CT Country Town Business District for approximately 15,000 square feet located at the corner of Eighth Street and Fraser Avenue, Lanai City, Lanai, Hawaii, on the site of the Old Lanai Police Station and Courthouse.

The subject property contains four one-story buildings: the former police station and courthouse, a jail cell, a single-family residence, and a garage and laundry building. All four buildings are eligible for listing on the National Register of Historic Places.

To ensure the property's historic nature is preserved and the land use complements the Lanai country-town environment, your Committee added three conditions to the proposed bill. The conditions allow only certain permitted uses while prohibiting certain accessory and special uses; require maintenance of the buildings' historic character; and require maintenance on signage identifying the property's historic nature, respectively. I ask for the Council's support. Thank you.

CHAIR WHITE: Thank you, Mr. Carroll.

Any further discussion, Members? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", zero "noes", and two "excused".

Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 43 (2015)

A BILL FOR AN ORDINANCE TO AMEND THE KIHEI-MAKENA  
COMMUNITY PLAN AND LAND USE MAP FROM AGRICULTURE TO  
HEAVY INDUSTRIAL FOR PROPERTY SITUATED AT PULEHUNUI,  
DISTRICT OF WAILUKU, MAUI, HAWAII,  
TAX MAP KEY NUMBER (2) 3-8-008:019, FOR THE  
PROPOSED PUUNENE HEAVY INDUSTRIAL SUBDIVISION

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. Since Bills 43 and 44 (2015), relate to the same matter, may I request that you ask the Clerk to call the next bill at this time?

CHAIR WHITE: Members, are there any objections to calling up bill, Bill No. 44?

MEMBERS VOICED NO OBJECTION.

CHAIR WHITE: Thank you.

Mr. Clerk.

ORDINANCE NO. \_\_\_\_\_  
BILL NO. 44 (2015)

A BILL FOR AN ORDINANCE TO CHANGE ZONING FROM  
AGRICULTURAL DISTRICT TO M-3 RESTRICTED INDUSTRIAL  
DISTRICT (CONDITIONAL ZONING) FOR PROPERTY SITUATED AT  
PULEHUNUI, DISTRICT OF WAILUKU, MAUI, HAWAII,  
TAX MAP KEY NUMBER (2) 3-8-008:019, FOR THE  
PROPOSED PUUNENE HEAVY INDUSTRIAL SUBDIVISION

CHAIR WHITE: Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair.

I MOVE TO PASS BILLS 43 AND 44 (2015) ON SECOND AND  
FINAL READING.

COUNCILMEMBER COUCH:

SECOND.

CHAIR WHITE: We have a motion by Mr. Carroll and a second by Mr. Couch.

Mr. Carroll.

COUNCILMEMBER CARROLL: Thank you, Chair. These bills would grant a request from CMBY 2011 Investment, LLC, for a Community Plan Amendment from Agricultural to Heavy Industrial and a Change in Zoning from Agricultural District to M-3 Restricted Industrial District for 86.03-acre parcel located at Pulehunui, District of Wailuku, Maui, Hawaii, to facilitate development of the Puunene Heavy Industrial Subdivision.

The project's proposed development plan calls for subdividing the parcel to provide lots that accommodate "pure industrial uses", such as manufacturing from raw materials, warehousing, and secure baseyard activities. The property is centrally located, with convenient access to Kahului Harbor and Kahului Airport. I ask for the Members support. Thank you.

CHAIR WHITE: Thank you, Mr. Carroll.

Members, further discussion?

Mr. Couch.

COUNCILMEMBER COUCH: Thank you, Mr. Chair. And, I thank Mr. Carroll and the Committee for passing this out. Just wanted to note that this, if my memory serves correctly, this is going to be the first M-3 Industrial Zoning that we've done since we passed the bill to create that zone. And, I want to thank the Members, and pretty much everybody here, that helped us with that in the Planning Committee last term. I think it was last term, or maybe the term before. So, this just goes to show that if you see things through, things come to fruition when, when the time is right. So, I want to thank everybody for their support on this one. Thank you.

CHAIR WHITE: Thank you. Any further discussion, Members? Seeing none, all those in favor please signify by saying "aye".

AYES: COUNCILMEMBERS BAISA, CARROLL,  
COCHRAN, COUCH, CRIVELLO, HOKAMA, AND  
CHAIR WHITE.

CHAIR WHITE: Those opposed say "no".

NOES: NONE.

EXCUSED: COUNCILMEMBER VICTORINO AND VICE-CHAIR  
GUZMAN.

CHAIR WHITE: Measure passes with seven "ayes", zero "noes", and two "excused".


Mr. Clerk.

DEPUTY COUNTY CLERK: Mr. Chair, there is no further business before the Council.

CHAIR WHITE: Thank you very much. I'd just like to thank the staff for their support today. And, thank you, Members for being here. With that, we will adjourn.

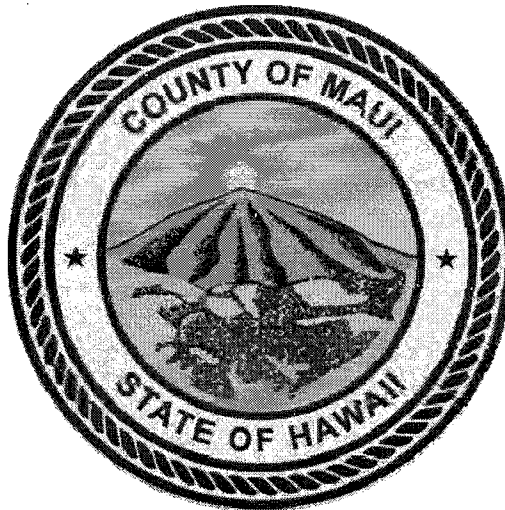
### ADJOURNMENT

The regular meeting of June 5, 2015 was adjourned by the Chair at 11:19 a.m.

  
DENNIS A. MATEO, COUNTY CLERK  
COUNTY OF MAUI, STATE OF HAWAII

# **COUNTY OF MAUI**

**STATE OF HAWAII**



## **SINGLE AUDIT REPORT**

**FOR THE FISCAL YEAR ENDED  
JUNE 30, 2014**



**County of Maui  
State of Hawaii  
SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)  
Fiscal Year Ended June 30, 2014**

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Ref.**

**No.**            **Internal Control Findings**

**2014-005    Accounting for Construction Work in Progress - Significant Deficiency**

**Condition:** The County and the Department of Water Supply (DWS) prepared construction work in progress schedules to calculate the valid roll-forward balance of on-going projects and determine projects that were completed, placed into service, and capitalized as infrastructure. We noted that projects were only properly accounted for when fiscal staff tracked down the respective project engineer for the contract. This resulted in multiple instances where a project was not capitalized properly or timely and old projects that should have been expensed were part of the roll-forward balance from prior years. The following were the conditions noted during our review of the construction work in progress schedules:

- The County had a total of \$92 million in construction in progress carried forward from the prior year. In the current year, a review of the construction in progress projects of the County showed a total of \$3,016,648 of maintenance and repairs expense on various projects that were included in the construction in progress balance that should have been expensed in the prior year. These amounts were expensed in the current fiscal year.
- The DWS had a total of \$32.6 million in construction in progress carried forward from the prior year. In the current year, we noted a total of \$970,702 of current construction in progress that should have been transferred out and capitalized as capital assets in the prior years. The DWS will adjust these projects in the next fiscal year.

**Criteria:** Generally accepted accounting principles require that assets be transferred from construction work in progress to capital assets when they are placed in service or are available to be placed in service. In addition, the County's accounting policy for normal maintenance and repairs is to expense these to operations as incurred.

**Cause:** The County's projects are maintained and accumulated in the County's accounting system and reconciled in a spreadsheet. However, the process to review these projects to either expense the normal maintenance and repairs or to transfer the project capital assets is a manual process. The current process is to review and reconcile the construction in progress balance at year end.

**Effect:** Construction work in progress was overstated, while capital assets, accumulated depreciation, and depreciation expense were understated.

County of Maui  
State of Hawaii  
**SCHEDULE OF FINDINGS AND QUESTIONED COSTS (Continued)**  
Fiscal Year Ended June 30, 2014

**SECTION II - FINANCIAL STATEMENT FINDINGS (Continued)**

**Ref.**

**No.**

**Internal Control Findings**

**2014-007 Review Agency Fund Accounts - Material Weakness**

**Condition:** During our audit, we noted that the County had agency funds that were not reviewed on an on-going basis. We noted certain balances from prior years that were either unsupported or the County did not know the current status of the monies held.

**Criteria:** The County maintains fiduciary funds that are limited to agency funds. Agency funds are custodial in nature and are used to receive and disburse funds for an entity or individual that is not part of the County. Agency funds function as a clearing account and do not measure results of operations. Balances should be reviewed periodically and be properly supported of amounts held for individuals and entities.

**Cause:** There does not appear to be consistent policies and procedures across departments handling the agency funds to properly and timely reconcile balances and investigate differences.

**Effect:** The County has the following agency funds:

- Refundable Deposits Fund
- Liquor Control Fund
- State Highways Fund
- Other Agency Funds

At June 30, 2014, the County has approximately \$34.2 million in these agency funds. We reviewed these held balances noting the following:

- Real Property Tax Litigated Claims Fund - The County transferred \$849,545 from the account balance that has accumulated over the years to the general fund. The adjusted and reconciled balance at June 30, 2014 was \$4,413,880.
- Parks and Recreation Trust - The County was unable to provide a listing of who the deposits were held for in this account. As of June 30, 2014 the balance in this account was \$383,374.
- Planning Application Fees - In September 2014, the County transferred approximately \$3.6 million related to application fees that had accumulated in this fund from fiscal year 2002. The fees being collected should have been recognized as revenues and a prior period adjustment was made to the financial statements to account for this error.

Thank you for keeping open space in Kuiaha, Haiku.

✕ DELETE

← REPLY

↶ REPLY ALL

→ FORWARD

...



cathy knowlton <cathy@jim.nu>

Sun 5/31/2015 4:53 PM

mark as unread

To: county.clerk@co.maui.hi.us;

Dear Maui County Council members:

Open space to enjoy nature is important for healthy people. Extreme care with any coastal development

is important to the health of the coastal and ocean ecosystems.

Thank you for putting the acquisition of about 300 acres of open space in the Kuiaha coastal area of

Haiku using about 3 million dollars of the open space fund into the budget.

Sincerely,

Cathy Knowlton

PO Box 1072  
Haiku, HI 96708

RECEIVED  
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